



	No. 05-05
Subject: New Office Revolving Fund (ORF) Replenishment Process	Date Issued: 05/04/2005
References:	Expires: Until Advised

PURPOSE:

This COM introduces a new optional simplified process for electronic replenishment of an agency's Office Revolving Fund (ORF) through the State Controller's Office (SCO). SCO will electronically transfer funds directly into an agency's bank account to replenish the ORF. Agencies will no longer have to deposit ORF warrants into their checking accounts.

The term 'replenishment' will be used to refer to this new process in which the SCO electronically transfers the funds. The term 'reimbursement' will continue to be used for the old process in which the SCO issues a warrant payable to the agency.

BACKGROUND:

The existing procedure for reimbursing the ORF is described in SAM sections 8100 and 8400. Agencies are required to submit a Claim Schedule, STD. 218, and a Remittance Advice(s) (RA), STD 404, to the SCO. The payee on the claim schedule face sheet is the agency name. SCO then issues a warrant payable to the agency as well as a Notice of Claims Paid (CD102). Upon receipt of the warrant, the agency deposits the warrant into their checking account. The CD102 information is then used to clear the outstanding Claims Filed document in CALSTARS and record payment of the claim schedule.

OVERVIEW OF THE NEW PROCESS:

When using the ORF replenishment process, agencies will prepare and submit claim schedules to the SCO similar to the existing reimbursement process. The payee on the claim schedule face sheet will be the agency checking account number in lieu of the agency name. SCO will electronically transfer fund directly into the designated agency checking account instead of issuing a warrant made payable to the agency name. SCO will issue a journal entry (JE) to record the transaction. SCO will use the agency's claim schedule number as the journal entry number. Agencies will use the JE issued in lieu of the ORF warrant as the source document to record the ORF transfer of cash. The transfer of funds into the agency checking account will be displayed on the Centralized Treasury Trust System Account Statement with the claim schedule listed as the deposit number. SCO will not issue Notices of Claims Paid (CD102s) to agencies; however, CALSTARS will continue to create automated TC 362 transactions to record payment of the ORF claim schedules through the existing automated process.

REQUIRED ACTIONS

Use of the new ORF Replenishment process is optional. Agencies may follow their current processes or may choose to participate in the electronic process by following the procedures in Attachment I.

If you have any questions, please call the HOTLINE at (916) 327-0100, CNET 467-0100 or your CALSTARS Analyst.

/s/Ken Lane

Assistant Program Budget Manager

Attachments

ATTACHMENT I

Both the automated and manual claim schedule processes may be used to schedule electronic replenishment of the ORF. The sections below include procedures related to automated claim schedules, manual claim schedules, and information about the overall process.

Electronic ORF Replenishment Process - Automated Claim Schedules

1. Establish an ORF Replenishment Vendor Number/Suffix for each agency checking account number. Use Vendor Number AAAAAAAAAA with a Vendor Suffix within the range of 70 thru 79. CALSTARS uses this ORF replenishment vendor number to print the agency checking account number on the claim schedule face sheet.

The Vendor Name must include the agency checking account number and must be keyed in the **exact** format as shown below:

AGENCY CHECKING ACCT NBR: XXX

Note:

- XXX is the agency checking account number.
 - The numeric values must be greater than zero.
 - One space must be keyed between the colon and the checking account number.
 - If the Vendor Name is not in this exact format, the error message V27-INVALID ORF VEN NAME is issued.
2. Use the ORF Replenishment Vendor Number/Suffix when entering the automated replenishment claim schedule transactions. With the exception of the Vendor Number, the claim schedule process is the same. For example, the same transaction codes are used (TC 231, etc) when keying transactions, and the same Std. 218 Claim Schedule face sheet is used when printing claim schedules. Refer to Exhibit I for an example of the automated ORF replenishment claim schedule.

Note: Only one checking account number (Vendor Number AAAAAAAAAA / Suffix 70 thru 79) may be entered per batch. If an additional vendor number is keyed in the same batch, the error message E34-NO MIX OF ORF REIMB is displayed.

If an attempt is made to change the Vendor Number/Suffix through Error Correction, the error message G09-CAN'T CHNG ORF VEND is issued.

If the claim schedule batch is submitted externally with more than one vendor number, the entire batch is rejected with the error message R32-CAN'T MIX ORF VEND.

3. Remittance Advices (W06) are **not** created for ORF replenishment claim schedules. A remittance advice envelope should not be bound to the claim schedule package.

Electronic ORF Replenishment Process - Manual Claim Schedules

1. Complete the STD 219 with the same information normally included in a manual claim schedule. Ensure that the Agency Checking Account Number is included in the appropriate space on the Std. 219 form. Do not include a payee (agency name). Refer to Exhibit II for an example of the manual ORF replenishment claim schedule (Std. 219).

Note: Obtain the STD 219 form (Replenishment Claim Schedule) from the Department of General Services' website at:

www.osp.dgs.ca.gov/StandardForms/Default.htm.

If this form is not available, contact Dorothy Cottrill at the State Controller's Office at (916) 445-2568 to obtain a copy of the form.

2. Do not prepare a manual remittance advice. A remittance advice envelope should not be bound to the claim schedule package.

Processes Common to All ORF Replenishment Claim Schedules

1. The preparation and assembly of the ORF Replenishment Claim Schedules will be the same as the current claim schedule process, with the exception that no RAs are required. An RA envelope should **not** be bound to the claim schedule package.
2. CALSTARS will continue to produce system-generated TC 360 Posting of Claims Filed entries. TC 362s will continue to be generated from the CD 102 process. The payment activity will be displayed on the system generated reports from the automated CD 102 process.
3. The SCO will electronically transfer funds directly into an agency's checking account and will reference the deposit on the Centralized Treasury Trust System Account Statement using the claim schedule number.
4. SCO will use a TC 48 journal entry (JE) for recording ORF replenishment claim schedules. The agency's claim schedule number will be the JE number. The JE will be displayed on the monthly Fund and Agency Reconciliation Reports.
5. Although SCO will transfer the funds directly to an agency's checking account, the agency will continue to record the deposit in CALSTARS. The JE issued in lieu of the warrant will be the source document for recording an ORF deposit. Use this JE number (the agency's claim schedule number) in the Current Document or LC Deposit field on the Transaction Entry Screen when recording the ORF deposit transaction (TC 178). The claim schedule number will appear in the receipt area of the H06, Cash Receipt and Disbursement Register report for use in the bank reconciliation.

EXHIBIT I

STATE OF CALIFORNIA CLAIM SCHEDULE STD. 218 (Continuous) REV. 3-91																(DO NOT WRITE IN THIS SPACE)	
PAYABLE FROM		FUND SUB		FUND NAME													
		0000		AIR QUALITY REVOLVING FUND													
		AGENCY NO.		AGENCY NAME													
		9990		DEPARTMENT OF AIR QUALITY													
APPROPRIATION		YR.OF.STAT.	METH	REFERENCE/ITEM			SEQ	FFY	CHAPTER	STATUTES							
		2004		999				04		SEC. 999							
		PURPOSE															
		SEC. 999 AIR QUALITY CODE															
FED. CATALOG NUMBER	SCO PROJ.	CATEGORY	PGM.	ELE.	COMP.	TASK	GENERAL LEDGER	RECEIPT			F/S	AMOUNT	DESCRIPTION				
									OBJECT								
														SCHEDULE NUMBER			
														0999999			
														AUDIT CODE	SCH. TYPE		
														PRINT WARRANT DATE			
														ISSUE WARR.DATE (REQUEST)			
														CONTROLLER'S WARRANT NUMBER DATE ISSUED (ACTUAL)			
LINE. NO.	P.O. NO OR "C"		CLAIMANT									AMOUNT					
			##### #### ## ## ##### ## ### ## ## ## ## ## ## ## ## ## ## ## ## ## ## ##### ##### ## ## ## ## ## ## ## ### ## ## ## ## ## ##### ## #####									125, 110.00					
			# # PAYABLE TO: # AGENCY CHECKING ACCT NBR: 999 # #####														
														SIGN.	CALC.		
														PURCH.	CONTR.		
														CORRECTIONS ENTERED			
														AUDITED	APPR. PAY		
														F/A BAL. OK	WARR. OK		
														REPORTABLE PAYMENTS PER S.A.M. 8422.19			
														NUMBER			
														AMOUNT			
I hereby certify under penalty of perjury as follows:														TOTAL OF SCHEDULE			
That I am a duly appointed, qualified and acting officer of the herein named state agency, department, board, commission, office, or institution; that the within claim is in all respects true, correct, and in accordance with law; that the services mentioned herein were actually rendered and supplies delivered to the state agency in accordance with the contract and law; that authorizations for purchases have been duly obtained wherever required and that amount claimed and articles delivered comply therewith; that the amounts of any refunds to claimants indicated herein were received from such claimants by the herein named agency in excess of that legally due it under the law, or are otherwise lawfully due such claimants; that all of the expenditures herein set forth are in accordance with the current budget allotments and provisions as approved by the Budget Division of the State Department of Finance, and that none of the expenditures are in excess thereof; that there has been full compliance with all provisions or restrictions in the budget act or any other appropriation relating to expenditures herein; that the claimants named herein are each entitled to the amount specified opposite their respective names and actually have been paid or will be paid as allow when warrant is received form the State Controller; that I have not violated any of the provisions of Sections 1090 to 1096, inclusive, of the Government Code, in incurring the item of expense mentioned in the attached claim, or in any other way; that any disaster service worker for whom compensation or reimbursement for expenses incurred is claimed herein has, if required by law, taken, subscribed, and filed the oath set forth in Section 3103 of the Government Code.														125, 110.00			
SIGNED							TITLE					DATE		TOTAL SUBJECT TO USE TAX			
APPROVED (IF REQUIRED)														CONTACT TELEPHONE (OPTIONAL)			

EXHIBIT II

STATE OF CALIFORNIA REPLENISHMENT CLAIM SCHEDULE STD. 219 (Treasury Trust) REV. 2-04										TC - 48		(DO NOT WRITE IN THIS SPACE)		Date Filed											
PAYABLE FROM		FUND		SUB		FUND NAME AIR QUALITY REVOLVING FUND																			
		AGENCY NO. 9990		AGENCY NAME DEPARTMENT OF AIR QUALITY																					
APPROPRIATION		YR.OF STAT. 2004		METH		REFERENCE/ITEM 999		SEQ		FFY 04		CHAPTER			STATUTES SEC 999										
		PURPOSE SEC 999 AIR QUALITY CODE																							
FED. CATALOG NUMBER		SCO PROJ.		CATEGORY		PGM.		ELE.		COMP.		TASK		GENERAL LEDGER		RECEIPT OBJECT		F/S		AMOUNT		DESCRIPTION			
Payable To:																						SCHEDULE NUMBER 0999999			
																						AUDIT CODE		SCH. TYPE	
AGENCY CHECKING ACCOUNT NUMBER 999																						(I)		JE TRANSACTION DATE	
LINE NO.		INFORMATION																		AMOUNT					
		REPLENISHMENT CLAIM																							
		REVOLVING FUNDS CHECKS ISSUED																		125, 110.00					
I hereby certify under penalty of perjury as follows:																TOTAL OF SCHEDULE		125, 110.00		CORRECTIONS ENTERED					
That I am a duly appointed, qualified and acting officer of the herein named state agency, department, board, commission, office, or institution; that the within claim is in all respects true, correct, and in accordance with law; that the services mentioned herein were actually rendered and supplies delivered to the state agency in accordance with the contract and law; that authorizations for purchases have been duly obtained wherever required and that amount claimed and articles delivered comply therewith; that the amounts of any refunds to claimants indicated herein were received from such claimants by the herein named agency in excess of that legally due it under the law, or are otherwise lawfully due such claimants; that all of the expenditures herein set forth are in accordance with the current budget allotments and provisions as approved by the Budget Division of the State Department of Finance, and that none of the expenditures are in excess thereof; that there has been full compliance with all provisions or restrictions in the budget act or any other appropriation relating to expenditures herein; that the claimants named herein are each entitled to the amount specified opposite their respective names and actually have been paid or will be paid as allow when warrant is received from the State Controller; that I have not violated any of the provisions of Sections 1090 to 1096, inclusive, of the Government Code, in incurring the item of expense mentioned in the attached claim, or in any other way; that any disaster service worker for whom compensation or reimbursement for expenses incurred is claimed herein has, if required by law, taken, subscribed and filed the oath set forth in Section 3103 of the Government Code.																AUDITED		APPR. PAY							
																F/A BAL. OK									
SIGNED																TITLE		DATE							
APPROVED (IF REQUIRED)																									